

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 850 - SB 1209**

March 9, 2013

**SUMMARY OF BILL:** Renames the “Prevailing Wage Act of 1975” as the “Prevailing Wage Act for State Highway Construction Projects.” Defines “state highway construction project” as any construction project for the purpose of building, rebuilding, locating, relocating, or repairing any streets, highways, or bridges. Removes any reference to building construction contracts other than highway contracts from Tennessee Code Annotated, Title 12, Chapter 4, Part 4. Requires, as a condition of doing business within the jurisdictional boundaries of the state or contracting with the state, a private employer engaged in a construction contract to pay the employer’s employees a wage in excess of the greater of either the wage required to be paid by such employer under applicable federal law, or the mean wage for the applicable occupation under the construction and extraction occupations published in the Tennessee Occupational Wages Report. If compliance by the state relative to a specific contract, project, or program would result in the denial of federal funds that would otherwise be available to the state, then the state may require a private employer to pay its employees a wage necessary to meet the federal requirements to obtain the federal funds, but only relative to such contract, project, or program. Requires any agreement relative to the employment of inmates by private industries to contain provisions assuring that the wages paid to such inmates shall be no less than the mean wage for the application occupation under the construction and extraction occupations published in the Tennessee Occupational Wages Report. Requires any contractor entering into a contract with the metropolitan government for performance of work during construction of the convention center to pay all workers not less than the mean wage for the application occupation under the construction and extraction occupations published in the Tennessee Occupational Wages Report. After construction of the convention center is completed, all persons employed to perform labor or services at the convention center shall be paid a wage that is not less than the mean wage for the application occupation under the construction and extraction occupations published in the Tennessee Occupational Wages Report.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

**Assumptions:**

- According to the Department of Transportation, the proposed bill does not revise any provisions dealing with the state prevailing wage as it applies to highway construction contracts. No change to current practices and procedures for the Department.

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- According to the Department of Human Resources, the provisions of the Prevailing Wage Act apply to contractors and not to state employees; therefore, no fiscal impact to state government.
- Requiring private employers to pay employees a wage that is not less than the mean wage for the application occupation under the construction and extraction occupations published in the Tennessee Occupational Wages Report will not have a fiscal impact on state or local government.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/lsc